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	SIL-01	INRE-00	OCS-06	BIB-01	CA-02	ANAE-00	SP-02
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FM AMEMBASSY BEIJING  
TO SECSTATE WASHDC NIACT IMMEDIATE 1396  
INFO AIT TAIPEI IMMEDIATE  
AMCONSUL GUANGZHOU IMMEDIATE  
AMCONSUL HONG KONG IMMEDIATE  
AMCONSUL SHANGHAI IMMEDIATE  
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USIA WASHDC IMMEDIATE 8547  
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AMCONSUL CHENGDU POUCH)

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E.O.12356:DECL:OADR  
TAGS: MOPS, PINS, PREL, PGOV, PHUM, SOCI, CH  
SUBJECT: TFCH01: SITREP NO. 59, JUNE 21, 1700 LOCAL  
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1. CONFIDENTIAL ENTIRE TEXT.  
/  
2. SUMMARY: THE PRC HAS NOT YET OFFICIALLY  
RESPONDED TO NEW USG SANCTIONS, BUT WE ANTICIPATE A

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STRONG REACTION. THE LEAD ITEM IN THE LOCAL PRESS JUNE 21 IS SUPREME COURT ANNOUNCEMENT DIRECTING THE LOWER COURTS TO PUNISH SEVERELY COUNTER-REVOLUTIONARIES INVOLVED IN THE RECENT "REBELLION." ANOTHER STUDENT LEADER, LIU GANG, WAS ARRESTED BY AUTHORITIES. THE EMBASSY HAS SEEN TROOPS DEPLOYED FOR THE FIRST TIME TO AN AREA WHERE THE UNIVERSITIES ARE LOCATED. ANTI-AMERICAN THEMES ARE CONTINUING IN THE CHINESE PRESS, THE U.S. IS CONDEMNED IN ONE REPORT FOR SUPPORTING FANG LIZHI AND HIS WIFE LI SHUXIAN, WHO WERE, THE REPORT CLAIMS, INSTRUCTING THE STUDENT DEMONSTRATORS. VOA AND AP WERE ALSO SEVERELY CRITICIZED JUNE 21 BY THE OFFICIAL PRESS. CBS JOURNALISTS TEMPORARILY DETAINED HAVE NOW DEPARTED BEIJING. THREE OF FOUR AMERICANS WORKING FOR ABC HAVE HAD THEIR PASSPORTS RETURNED, BUT THE FOURTH AMERICAN HAS BEEN TOLD TO RETURN TO THE SECURITY BUREAU TOMORROW. HE HAS ALREADY WRITTEN TWO SELF CRITICISMS IN THE LAST TWO DAYS. DURING THE SECOND DAY SINCE NEW EXIT PERMIT REQUIREMENTS WENT INTO EFFECT, ONLY 20 CHINESE APPLIED FOR VISAS AT THE EMBASSY.

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AN EMBASSY EMPLOYEE HAD HIS CAR SEARCHED AT A CHECK POINT BY ARMED SOLDIERS WHO IGNORED HIS DIPLOMATIC STATUS.

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THE SHERATON ALSO REPORTED THAT HOTEL OCCUPANCY IS DOWN TO 22 PERCENT AND THE TOURIST SEASON FOR THIS YEAR AND PERHAPS NEXT YEAR MAY BE SEVERELY RESTRICTED. END SUMMARY.  
PRC HAS NOT YET RESPONDED TO USG SANCTIONS

3. THE PRC GOVERNMENT HAS NOT YET RESPONDED TO NEW USG SANCTIONS AGAINST CHINA. WE ANTICIPATE A STRONG REACTION WHICH COULD BE ANNOUNCED AS EARLY AS TONIGHT, LOCAL TIME.

/  
CRACKDOWN INTENSIFIES

4. THE JUNE 20 EVENING NEWS LEAD ITEM AND JUNE 21 PEOPLE'S DAILY FRONT PAGE HEADLINE WAS THE SUPREME COURT'S INSTRUCTION TO THE LOWER COURTS TO PUNISH SEVERELY COUNTER-REVOLUTIONARIES BROUGHT TO TRIAL.

/  
5. THE JUNE 20 EVENING NEWS REPORTED THE ARREST OF LIU GANG, ONE OF THE 21 STUDENT LEADERS WANTED BY THE CENTRAL AUTHORITIES. WE BELIEVE THIS BRINGS TO 6 THE

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NUMBER OF STUDENT LEADERS WHO AUTHORITIES HAVE  
PUBLICLY ANNOUNCED HAVE BEEN ARRESTED.

TROOP MOVEMENTS  
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6. DAO AND OTHER EMBASSY DEFENSE ATTACHES AGREE THAT  
THE PLA HAS MOVED MOST OF ITS ARTILLERY UNITS, ARMOR  
AND INFANTRY TRUCKS FROM THE CITY TO CAMPS AROUND  
BEIJING. IT IS POSSIBLE THAT UP TO 100,000 SOLDIERS,  
MOSTLY INFANTRY, REMAIN IN AND AROUND BEIJING.  
ELEMENTS OF THE 39TH AND 40TH ARMIES ARE POSITIONED  
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E.O.12356:DECL:OADR

TAGS: MOPS, PINS, PREL, PGOV, PHUM, SOCI, CH

SUBJECT: TFCH01: SITREP NO. 59, JUNE 21, 1700 LOCAL

IN THE EASTERN PART OF BEIJING, ELEMENTS OF THE 28TH AND 63RD ARMIES IN THE WEST, PART OF THE 65TH AND 64TH IN THE NORTH, SOME OF THE 27TH ARMY JUST WEST OF THE DIPLOMATIC COMPOUND, ELEMENTS OF THE 24TH ARMY IN THE NORTHWEST AREA, AND A PART OF THE 38TH IN TIANANMEN SQUARE.

/

7. IN A POSSIBLY SIGNIFICANT DEVELOPMENT, SEVERAL VEHICLES FROM UNITS OF THE 24TH ARMY WERE DEPLOYED JUST SOUTH OF BEIJING UNIVERSITY ON SUNDAY, JUNE 19TH. GUARDS ARE IN POSITION FOR THE FIRST TIME AT INTERSECTIONS IN THE AREA. ELEMENTS OF THE 24TH ARMY ARE CAMPED ACROSS THE STREET FROM BEIJING UNIVERSITY IN A SPORTS COMPLEX. DAO HAS OBSERVED 40 TROOP TRUCKS PARKED IN THE AREA AND ESTIMATES THAT THERE MAY BE UP TO 1,200 TROOPS NEAR THE UNIVERSITY.

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8. JAPANESE KYODO NEWS SERVICE HAS REPORTED THAT THE PARTY WILL CONVENE A CENTRAL COMMITTEE MEETING ON JUNE 22. (WE CAUTION THAT KYODO NEWS SERVICE HAS NOT REPEAT NOT BEEN VERY RELIABLE IN THE PAST.) HOWEVER, ON JUNE 21, A DAO OFFICER OBSERVED 10 BUSES, 10 COASTERS, AND 30-40 CARS WITH WHAT APPEARED TO BE HIGH LEVEL OFFICIALS LEAVING NANYUAN MILITARY AIRPORT FOR BEIJING.

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ANTI-AMERICAN MEDIA ATTACK CONTINUES

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9. A LETTER FROM A QINHUA UNIVERSITY PROFESSOR WAS BROADCAST OVER THE JUNE 20 EVENING RADIO NEWS. THE REPORT SAID THE U.S. WAS PRIMARILY BEHIND THE STUDENT DEMONSTRATIONS. IT ADDED THAT "STUDENT LEADER WANG DAN RECEIVED ORDERS FROM FANG LIZHI AND LI SHUXIAN," WHO WERE SUPPORTED BY THE U.S. THE REPORT ALSO SAID THE U.S. WAS USING HUMAN RIGHTS AS A PLOY TO INTERFERE IN THE INTERNAL AFFAIRS OF CHINA.

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CHINESE PRESS CONTINUES ATTACK ON VOA/AP

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10. THE JUNE 20TH PEOPLE'S DAILY ATTACKED VOA AND AP FOR THEIR COVERAGE OF EVENTS ON JUNE 3-4. CALLING THEIR REPORTS "DISTORTED", THE ARTICLE SAID VOA AND AP WERE SPREADING FALSE RUMORS.

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STATUS OF AMERICAN JOURNALISTS HARASSED BY PRC  
SECURITY

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11. THREE CBS CREW MEMBERS TEMPORARILY DETAINED  
YESTERDAY HAD THEIR PASSPORTS RETURNED AND HAVE  
DEPARTED CHINA. ONE CREW MEMBER WAS AN AMCIT. THREE  
OF THE FOUR AMERICAN CREW MEMBERS WORKING FOR ABC WHO  
WERE DETAINED TWO DAYS AGO AND HAD THEIR PASSPORTS  
CONFISCATED, RECEIVED THEIR PASSPORTS TODAY. THE  
THREE AMCITS ARE STUDENT "STRINGERS" HIRED TO HELP  
ABC. THE FOURTH AMERICAN IS A PRODUCER, CHRIS  
ATONIACI. HE WROTE A SELF CRITICISM YESTERDAY AND  
AGAIN TODAY AND IS SCHEDULED TO SEE THE PUBLIC  
SECURITY BUREAU AGAIN TOMORROW. HE REFUSED EMBASSY  
ASSISTANCE TODAY AND HAS NOT REQUESTED ANY ASSISTANCE  
FOR TOMORROW. WE REMAIN IN CLOSE TOUCH WITH ATONIACI  
SHOULD HE REQUEST ASSISTANCE.

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VISA APPLICANTS STILL DOWN

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12. ON THE SECOND DAY OF THE IMPLEMENTATION OF THE  
NEW EXIT PERMIT REQUIREMENTS, THERE WERE ONLY 20 VISA  
APPLICANTS AT THE CONSULAR SECTION TODAY. ABOUT HALF  
RECEIVED VISAS.

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AMERICAN WARNED TO BE CAUTIOUS FOR THE NEXT TWO WEEKS

13. 

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U.S. EMBASSY EMPLOYEE'S CAR SEARCHED

14. AN EMBASSY EMPLOYEE RETURNING LATE IN THE  
EVENING OF JUNE 20 FROM THE AIRPORT AFTER MEETING A  
NEWLY ARRIVED EMPLOYEE, WAS STOPPED AT A ROADBLOCK  
AND HIS CAR WAS SEARCHED BY ARMED SOLDIERS, DESPITE  
SHOWING HIS MFA ISSUED DIPLOMATIC CARD. A PLA  
OFFICER NOTICED THE DIPLOMATIC CAR PLATES AND TOLD  
THEM TO DEPART. THE EMBASSY WILL SEND A DIPLOMATIC  
NOTE PROTESTING THE SEARCH.

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TOURISM'S SLUMP  
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16. VICTOR KIMURA, THE GREAT WALL SHERATON HOTEL SALES DIRECTOR, TOLD EMBASSY OFFICERS JUNE 20 THAT A LARGE PERCENTAGE OF TOUR GROUPS SCHEDULED TO USE THE HOTEL IN THE FALL AND WINTER 1989 HAVE ALREADY CANCELLED. OF EVEN GREATER CONCERN ARE PROSPECTS FOR THE 1990 TOURIST SEASON BECAUSE TOUR OPERATORS ARE ARRANGING THEIR 1990 SCHEDULES NOW. CURRENTLY, OCCUPANCY IN THE HOTEL HAD DROPPED TO ABOUT 22 PERCENT. MOST GUESTS, HE SAID, ARE LONG-TERM RESIDENTS, DIPLOMATS AND JOURNALISTS.

17. BO XICHENG, DIRECTOR OF THE BEIJING TOURISM ADMINISTRATION, CALLED A MEETING JUNE 19 OF HOTEL OPERATORS. KIMURA SAID THAT BO MENTIONED BUT DID NOT PRESS THE GOVERNMENT'S LINE ON RECENT EVENTS. BO APPEALED TO THE HOTELS TO BRING THE TOURISTS BACK.  
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SUBJECT: TFCH01: SITREP NO. 59, JUNE 21, 1700 LOCAL

KIMURA SAID THE HOTEL REPRESENTATIVES BLUNTLY STATED THEIR VIEWS. HE HIMSELF SUGGESTED THAT A STATEMENT FROM A MAJOR LEADER LIKE LI PENG WAS NEEDED TO ASSURE TOURISTS THAT CHINA WAS SAFE. OTHERS TOLD BO THAT THE KEY TO REVIVING TOURISM WAS LIFTING MARTIAL LAW, AN ACTION WHICH MIGHT HELP LEAD TO THE LIFTING OF TRAVEL ADVISORIES BY FOREIGN GOVERNMENTS. INTERESTINGLY, THE JUNE 20 ENGLISH-LANGUAGE CHINA DAILY CARRIED AN ARTICLE FAIRLY ACCURATELY DESCRIBING THE HOTEL REPRESENTATIVES SUGGESTIONS, INCLUDING THE NEED TO GET SOLDIERS OFF THE STREET.

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18. KIMURA ALSO SAID THAT TO STIMULATE TOURISM, THE BEIJING TOURIST ADMINISTRATION RECOMMENDED THAT HOTELS DROP RATES TO THE U.S. 50-60 DOLLAR PER NIGHT RANGE. KIMURA SAID THAT HIS HOTEL IS OPPOSED TO SUCH A MOVE, ARGUING THAT A DROP IN RATES WILL HAVE LITTLE EFFECT IN ATTRACTING TOURISTS, BUT WILL SIMPLY RESULT IN MORE LOST REVENUES.  
LILLEY

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